

2013 DRAFTING REQUEST

Assembly Amendment (AA-AB40)

Received: **6/5/2013** Received By: **agary**
Wanted: **As time permits** Same as LRB:
For: **Legislative Fiscal Bureau** By/Representing: **Moran**
May Contact: Drafter: **agary**
Subject: **Fin. Inst. - int. rates/loans** Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email: **Legislative Fiscal Bureau**
Carbon copy (CC) to: **aaron.gary@legis.wisconsin.gov**

Pre Topic:

LFB:.....Moran -

Topic:

Motion 999, item 24, payday lenders and licensed lenders

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	agary 6/5/2013			_____			
/P1		csicilia 6/5/2013	jmurphy 6/5/2013	_____	srose 6/5/2013		

FE Sent For:

<END>

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		<i>13</i>					
		<i>Jan 6/5</i>		<i>Self</i>			

FE Sent For:

<END>

Gary, Aaron

From: Moran, Sean
Sent: Wednesday, June 05, 2013 8:41 AM
To: Gary, Aaron
Subject: Wrap-up motion

Hi Aaron,

This morning, Motion #999 was passed by the Committee. Item #24 modified the definition of default for installment loans made by payday lenders and licensed lenders under the WCA. Feel free to give me a call with any questions.

-Sean



999.pdf

Joint Finance, a plan and policies for awarding grants that ensure grant recipients are retaining and/or creating jobs. Require the Committee to approve the plan and policies, before releasing the funds to WEDC. Require grant contracts to include requirements that grant recipients provide the Corporation with documentation and other financial statements of grant expenditures, and with quarterly reports with information related to job creation and retention as determined by the Corporation. Require that contracts include penalties for noncompliance. Require WEDC to report to the Committee by January 1, 2015, on the amount of grants awarded and jobs created or retained as a result of the grant program.

22. *WEDC Procurement.* Modify a prior action of the Committee [Motion 154, item "g."] to delete the requirement that the Wisconsin Economic Development Corporation (WEDC) be subject to state agency procurement requirements. Instead, require the WEDC Board to adopt procurement policies and procedures that specify all of the following: (a) when the Corporation is required to publicly solicit proposals from multiple vendors of goods or services; (b) how WEDC is to evaluate proposals from multiple vendors; (c) how the Corporation is to assess any potential conflicts of interest a vendor may have if the vendor sells goods or services to WEDC.

Tax Policy, Children and Families, and Workforce Development

23. *Boys and Girls Clubs.* Provide \$125,000 in federal temporary assistance for needy families (TANF) funding in 2013-14 on a one-time basis for the Green Bay Boys and Girls Clubs for the BE GREAT: Graduate program. Require the program to spend the TANF monies on TANF-eligible activities, and require the program to provide \$125,000 in matching funds in order to receive the TANF funding.

24. *Payday Lenders and Licensed Lenders.* Specify that, with respect to an installment loan made by a payday lender or a licensed lender, provided the installment loan is not secured by a motor vehicle, default (under laws governing creditors' remedies under the Wisconsin Consumer Act) would mean to have outstanding an amount of one full payment or more which has remained unpaid for more than ten days after its scheduled or deferred due date. Specify that the outstanding amount would not include any delinquency or deferral charges and would be computed by applying each payment first to the installment most delinquent and then to subsequent installments in the order they come due.

25. *Federal Audit Reports Enforcement Activities.* Specify that the provisions that provide exceptions from reliance on past audits in current audit determinations be modified to specify that the exceptions apply to audit determinations, that the exception for not providing information applies specifically to information regarding the tax issue in the prior audit determination, and the exception for settling the issue through a written agreement apply specifically to a tax issue settled in the prior audit determination.

26. *Unemployment Insurance.* Provide \$89,100 GPR in 2013-14 to pay for the Department of Workforce Development's information technology upgrades and administrative costs associated with changes to unemployment insurance law under the bill.

27. *Video Service Disconnections.* Repeal the current law provision that prohibits



State of Wisconsin
2013 - 2014 LEGISLATURE

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ARG:.....

D-Note
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LFB:.....Moran – Motion 999, item 24, payday lenders and licensed lenders

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT ,
TO ASSEMBLY BILL 40

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SAV

- 1 At the locations indicated, amend the bill as follows:
- 2 **1.** Page 951, line 4: after that line insert:
- 3 **“SECTION 2178d.** 425.103 (2) (a) of the statutes is amended to read:
- 4 425.103 (2) (a) With respect to a transaction other than one pursuant to an
- 5 open-end plan and except as provided in par. (am); if the interval between scheduled
- 6 payments is 2 months or less, to have outstanding an amount exceeding one full
- 7 payment which has remained unpaid for more than 10 days after the scheduled or
- 8 deferred due dates, or the failure to pay the first payment or the last payment, within
- 9 40 days of its scheduled or deferred due date; if the interval between scheduled
- 10 payments is more than 2 months, to have all or any part of one scheduled payment
- 11 unpaid for more than 60 days after its scheduled or deferred due date; or, if the

1 transaction is scheduled to be repaid in a single payment, to have all or any part of
2 the payment unpaid for more than 40 days after its scheduled or deferred due date.
3 For purposes of this paragraph the amount outstanding shall not include any
4 delinquency or deferral charges and shall be computed by applying each payment
5 first to the installment most delinquent and then to subsequent installments in the
6 order they come due;

History: 1971 c. 239; 1973 c. 3; 1975 c. 407; 1979 c. 10; 1995 a. 225; 1997 a. 302; 2005 a. 110.

7 **SECTION 2178f.** 425.103 (2) (am) of the statutes is created to read:

8 425.103 (2) (am) With respect to an installment loan not secured by a motor
9 vehicle made by a licensee under s. 138.09 or 138.14; to have outstanding an amount
10 of one full payment or more which has remained unpaid for more than 10 days after
11 the scheduled or deferred due date. For purposes of this paragraph the amount
12 outstanding shall not include any delinquency or deferral charges and shall be
13 computed by applying each payment first to the installment most delinquent and
14 then to subsequent installments in the order they come due;”.

15 (END)

D-Note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0331/P1dn

ARG:|....

gs

- late -

The attached draft tracks the language of the motion. I have a few comments on the draft:

1. Given the definition of "payday loan" in s. 138.14 (1) (k), one could argue that a payday loan would never be an installment loan and the language in the attached draft would therefore not apply to a payday loan. If so, then presumably the 40-day period in s. 425.103 (2) (a) for repayment in a single payment would continue to apply to a payday loan.
2. The language in the attached draft is not explicitly limited to consumer loans or consumer credit transactions, but because the provision is placed in s. 425.103 it presumably would apply only to installment loans of "licensed lenders" and payday lenders that are consumer loans or consumer credit transactions under the Wisconsin Consumer Act.
3. The attached draft does not treat s. 138.09 (7) (f) 3. or 422.204 (8).

Aaron R. Gary
Legislative Attorney
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E-mail: aaron.gary@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0331/P1dn
ARG:cjs:jm

June 5, 2013

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State of Wisconsin
2013 - 2014 LEGISLATURE



LRBb0331/P1
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